

AJB-212

THE COMMONWEALTH

OF

MASSACHUSETTS

ALCOHOLIC BEVERAGES

CONTROL COMMISSION

ANNUAL REPORT

CALENDAR YEAR 1975

DECEMBER 31, 1975

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## I STATUTORY REFERENCE FOR EXISTANCE

The Alcoholic Beverages Control Commission is authorized by Section 43 of the General Laws, Chapter 6, and serves within the Executive Offices of Consumer Affairs by virtue of Section 9, Chapter 6A of said General Laws.

The offices of this Commission have the supervisory and investigatory responsibility over the conduct of the business of manufacturing, importing, exporting, storing, transporting and selling alcoholic beverages as defined in Section 1 of Chapter 138.

The Agency is the sole issuing authority for licenses to manufacturers, distillers, brewers, wineries, wholesalers, importers, railroads, steamships and airlines. It is also the sole issuing authority for permits issued for transportation of alcoholic beverages to all licensees, express/trucking companies, as well as permits issued to salespersons employed by manufacturers, wholesalers and importers.

Local licensing authorities are the sole issuing authority for licenses to hotels, restaurants, taverns, clubs and package goods stores, subject to A.B.C.C. approval.

## II LICENSES ISSUED IN 1975 (Fiscal year beginning 7/1/74 ending 6/30/75)

<u>TYPE</u>	<u>NUMBER</u>	<u>FEE</u>	<u>TOTAL</u>
Distiller	1	5,000	5,000.
Brewer	3	4,500	13,500.
Winery	1	100	100.
Wholesaler/Importer (all A.B.)	62	4,500	279,000.
Wholesale/Importer (Wine & Malt)	29	2,250	65,250.

<u>TYPE</u>	<u>NUMBER</u>	<u>FEE</u>	<u>TOTAL</u>
Wholesaler/Importer (Sacramental Wines Additional privileges)	1	1,500	1,500.
Wholesaler/Importer (Sacramental Wines)	3	1,000	3,000.
Alcohol/Mechanical/ Chemical	4	500	2,000.
Agents/Brokers/ Solicitors	71	300	21,300.
Railroad (plus 55 cars @\$1.00)	1	100 55	155.
Steamship Lines	28	100	2,800.
Special Permits (Import/Sell)	172		1,688.39
Storage (annual)	12	500	6,000.
Bonded Warehouse Express or Trucking Companies	1 15 @ 5.00	200	200.
(Vehicles)	672 @ 1.00		
	197 @ 25.00		
(Vehicles)	3,840 @ 5.00		24,972-
(The two sets of figures representa change in the fee in this category).			
Railroad to transport	1	300	300.
Steamship to transport	1	300	300.
Airlines	1	300	300.
Retail - transportation	243 @ 1.00		
	3,289 @ 10.00		
plus duplicates	6 @ 1.00		33,139.
Salespersons	1,352	10	
plus duplicates	4 @ .50		13,522.
Certificate of Compliance	502	10	5,030.
Transcripts			380.52
Total			479,437.

### III FINES IN LIEU OF SUSPENSION

The authorization under Section 23 of Chapter 138 of the General Laws provides for the collection of fines in lieu of suspension. This Agency has collected \$40,272.73 in said fines. This represents a \$26,700.24 increase from the previous year.

### IV MONIES COLLECTED IN CONJUNCTION WITH CORPORATIONS AND TAXATION

Pursuant to Chapter 138, Section 64 of the Massachusetts General Laws, the Alcoholic Beverages Control Commission places a temporary hold on transfers of licenses when tax money is owed the Commonwealth. A hearing is scheduled and as a result back taxes are usually paid promptly.

During calendar year 1975, the A.B.C.C., working with Corporations and Taxation, have collected \$463,884.40 in delinquent taxes through this hold/hearing method.

### V STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	<u>APPROPRIATIONS</u>	
Expenses	\$ 85,575.00	
Personal Services	<u>715,323.00</u>	\$ 800,898.00
	<u>EXPENDITURES</u>	
For Expenses	\$ 80,125.25	
For Personal Services	<u>705,132.64</u>	\$ 785,257.89
Balance Unexpended: Returned to Treasurer and Receiver-General		# 15,640.11



STATISTICAL ANALYSIS OF VIOLATIONS/APPEALS/PROTESTSJANUARY 1, 1975 - DECEMBER 31, 1975

Total violations heard during the calendar year of 1975: 898

Warning notices processed and mailed during the same period: 125

CHAPTER 138

Section 2 -	1	Section 25 - Lending or borrowing money directly or indirectly...	120
Section 11 - Prices visible from outside the licensed premises	9	Section 26 - Operating without approved Mgr.	14
Section 12 -	52	Section 30 -	4
Section 13 - Accepting or giving false invoices	13	Section 32 - Poor and inadequate lighting	9
Section 14 A - before repeal	91	Section 33 - Sales of AB before legal hours	29
Section 15 - Sales of AB below cost	23	Section 34 - Sales of AB to minors Minor in direct handling of AB	77
Section 16 - Tampering	47	Section 63A - Hindering and delaying	2
Section 19 -	2	Section 77 - Ceasing to do business	20
Section 23 - Purchase of AB from un- authorized source	84	Section 69 -	3
			1

A.B.C.C. Regulations

Regulation 10 - License not posted	11	Regulation 18 - Inducement	167
Regulation 20 - Gambling	6	Regulation 58.1 - Cover charge	8
Regulation 21 - Permitting an illegality (to wit several of the above violations.)	34	Regulation 18 - Selling below cost	13
		Regulation 46 - Substitution	2

Chapter 272, Section 92A - Discrimination because of sex	11
Chapter 94, Section 186 - Fruit flies	32
Condition of Boston License #13 - Entertainers mingling	7

Total number of appeals and protests: 192

VII CHANGES/AMMENDMENTS TO THE REGULATION OF THE A.B.C.C.

On September 25, 1975, the Commission held a public hearing pursuant to Section 24 of Chapter 138 of the General Laws, and in accordance with Chapter 30A of the General Laws.. Said hearing was held to determine whether Regulation 14A and Regulation 18 should be ammended or abolished.

As a result of this hearing, the Commission recommended to the Governor that Regulation 14A be abolished.. This regulation severely restricted the type of advertising a licensee could employ to merchandise his/her product. The Governor concured with the Commission's recommendation. On October 14, 1975, the Governor signed the repeal of Regulation 14A, a copy of which is attached hereto.

The Commission further recommended that Regulation 18 be ammended. This regulation deals with the inducement to purchase alcoholic beverages. A draft of the proposed regulation was submitted to the Governor and on October 14, 1975, he approved the ammended regulation. A copy of Regulation 18 is also attached hereto.

VII INVESTIGATIVE DIVISION - NEW PROGRAM

Prior to September of 1975, investigators of this Commission chose to work any eight hour shift they wished within a twenty-four (24) hour day; and any five days that they wished within a seven day period.

The Commission felt this type of work schedule provided little, if any, accountability and was less than productive in terms of work schedules leaving the Agency vulnerable to public criticism.

With that in mind, the Executive Secretary (John P. Larkin), developed a new work schedule for **these** investigators. This schedule was effective September 15, 1975.

Investigators now work a regular eight (8) hour shift, the time being fixed by the Commission. Supervising Investigators assumed the responsibility of scheduling work assignments for the investigators under them, and usually one week in advance.

The Commission has found that the new schedules have:

1. Improved efficiency - Investigators take less time to conduct routine approval checks on licensees and potential licensees.
2. Reduction in Mileage - A combination of budget restraints and the new work schedules, have reduced the number of miles investigators have traveled thus far this year.
3. Accountability - For the first time in the history of this Agency, the Commission knows the time an investigator is working and the nature of the work he is doing.

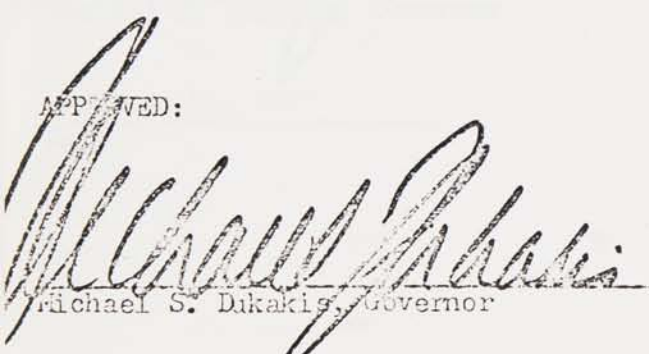


ALCOHOLIC BEVERAGES CONTROL COMMISSION

Repeal of  
Regulation 14A

- 14A. No advertisement pertaining to alcoholic beverages, other than malt beverages, which contains any direct or indirect reference to the price thereof shall be published or distributed in any manner unless it shall state, and be limited to, the full and proper name and address of the advertiser, a true factual description of the advertised product, including its trade or brand name, the price at which a specified quantity is offered for sale, and, at the option of a licensee, the number of any telephone located in his licensed premises. No licensee shall directly, or through any agent, employee or other person, distribute any advertisement of alcoholic beverages on any public highway or from house to house or door to door in any city or town unless it shall be contained in a publication of general circulation in common use as an advertising medium.

APPROVED:

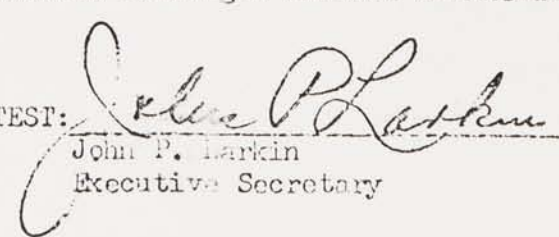
  
Michael S. Dukakis, Governor

October 14, 1975  
Date

A True Copy.

Alcoholic Beverages Control Commission

ATTEST:

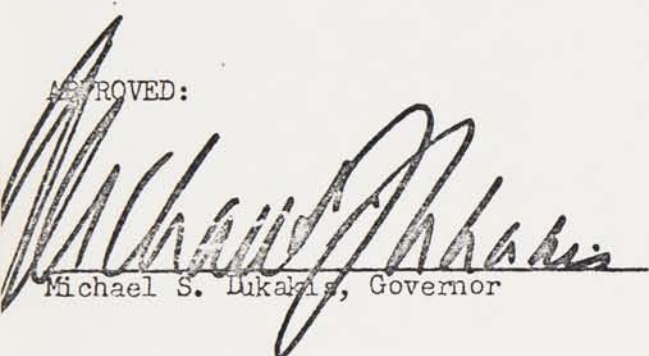
  
John P. Larkin  
Executive Secretary

ALCOHOLIC BEVERAGES CONTROL COMMISSION

Regulation 18

18. No holder of a license issued under section 15 shall sell or offer to sell any alcoholic beverages at a price less than invoiced cost. Cost is defined as net cost appearing on the invoice for said alcoholic beverage. The use of any device, promotion or scheme which results in the sale of alcoholic beverages at less than invoiced cost is prohibited.

APPROVED:

  
Michael S. Dukakis, Governor


October 14, 1975

Date

A True Copy.

Alcoholic Beverages Control Commission

ATTEST:

  
John P. Larkin  
Executive Secretary